



STATE OF MICHIGAN


DEPARTMENT OF COMMUNITY HEALTH
LANSING


JENNIFER M. GRANHOLM
GOVERNOR

JANET OLSZEWSKI
DIRECTOR

DATE: June 3, 2008

TO: Substance Abuse Coordinating Agency Directors

FROM: Donald L. Allen, Director 
Office of Drug Control Policy

Michael J. Head, Director 
Mental Health and Substance Abuse Administration

SUBJECT: Request for Proposals (RFP) for Integrated Services for People with
Co-occurring Mental Health and Substance Use Disorders
Proposal Application Deadline: July 15, 2008 at 5:00 p.m.

We are pleased to jointly offer resources to assist regional systems of care to improve services for persons with co-occurring mental health and substance use disorders. The attached RFP provides a unique opportunity for Substance Abuse Coordinating Agencies (CAs) to apply for funds to address unmet needs of individuals that they serve who also have a mental illness.

This initiative is part of the department's broad transformation agenda, which moves the mental health and substance use systems to best support consumers/clients in their individual recovery journeys. Information gleaned from the projects selected for funding will be used by the department and its Integrated Treatment Committee to continue system improvements for the large number of individuals we serve who have co-occurring mental health and substance use disorders.

The total funding available under this RFP is \$1.6 million for the next two fiscal years. For the fiscal year, beginning October 1, 2008, \$800,000 is available to fund approximately five to eight projects. Funded projects will be eligible for a second year of funding based on satisfactory progress during the first year and the availability of funds.

Only CAs are eligible to submit proposals in response to this RFP. Applicant CAs must have an agreement to partner with one or more Community Mental Health Services Programs (CMHSP).

An **informational conference call** for CA staff interested in responding to this RFP, and partner CMHSP staff, is scheduled for **June 16, 2008, from 9:30 to 11:00 a.m.** To attend the conference call, please dial 1-888-582-3529 and, when prompted, enter the following passcode: 6289210. If you plan to participate please contact Denise Murray at MurrayDen@michigan.gov. A summary of questions and answers from the call will be compiled and posted on the MDCH website following the meeting.

Note: Correction for conference call:
dial 1-636-651-0002, access code 8881705#.

Request for Proposal
Development of Integrated Treatment for Individuals with Co-Occurring Mental Health
and Substance Use Disorders

Overview

The Mental Health and Substance Abuse Services Administration (MHSA) and the Office of Drug Control Policy (ODCP) are making funds available to Substance Abuse Coordinating Agencies (CA) to support integrated treatment services that focus on clients who do not qualify for Medicaid and have co-occurring mental health and substance use disorders. The target population for this pilot project is clients whose dual disorders cause them to have a significant level of functional impairment and a potential for crisis. Such individuals have often sought services from both the mental health and substance abuse systems. These clients typically are not included in highest priority admissions per state Mental Health Code. They may receive services through the substance abuse system but have mental health needs greater than that system can accommodate.

Funds from both the Substance Abuse Prevention and Treatment Block Grant (SAPT) and the Community Mental Health Block Grant (MHBG) are being used to support this project; therefore, the requirements for each must be honored. The Michigan Department of Community Health (MDCH) expects that, through this initiative, CAs and Community Mental Health Service Programs (CMHSPs) will work together to develop integrated treatments and services for clients with co-occurring mental health and substance use disorders and promote system level changes that will identify and address current gaps in services.

This initiative is part of MDCH's overall commitment to develop seamless integrated treatment services for clients who have co-occurring mental health and substance use disorders. MDCH's Internal Integrated Treatment Group (IITG) and the statewide Internal Treatment Committee (ITC) are charged with the broad mission of addressing the needs of clients with co-occurring disorders, in both the substance abuse and mental health systems. The regional Change Agent Teams are currently being trained to join the IITG and ITC in this mission.

Problem Areas to Address

This RFP seeks to address the many barriers that exist in providing the necessary services to clients with co-occurring disorders. In particular, the needs of this population center on ensuring access to psychiatric services and medications when they are appropriate. The development of collaborative arrangements among local health plans, federally qualified health centers, and/or local service programs, as well as the collaboration of the CA and the CMHSP, is encouraged. Local arrangements to develop processes and services will also be supported. These services will play a key role in assisting with the recovery of this population and it is these types of arrangements and service improvements that will result in long-term sustainability of services to this population.

Funding Award Criteria

With the availability of \$500,000 from the SAPT and \$300,000 from the MHBG, a total of approximately \$800,000 is dedicated to this plan, with the goal of funding five to eight projects in FY 2009. The actual number of projects funded will depend on the number deemed appropriate and considered for funding. If funding is available and satisfactory performance of projects is indicated, funding provision for FY 2010 is intended to remain at this level. For planning purposes, each project should expect continuation funding in FY 2010.

This funding opportunity requires a regional CA to partner with a local CMHSP. Each proposal must also include a sustainability plan stating how client services will continue upon completion of the grant period.

Since these projects will be financed with MHBG and SAPT funds, it is necessary that all project activities are allowable under the federal block grant regulations. For purposes of this project, any individual who is diagnosed with a mental illness and a substance use disorder is considered to have a serious mental illness.

Consistent with federal and Michigan Mental Health Commission directions for state transformation activities, MHBG funds are to be used for activities designed to improve the system of care by promoting recovery. Transformational activities include the provision of evidence-based practices, innovative and promising practices, and the promotion of consumer-driven mental health care. All activities must be built around, and consistent with, person-centered planning principles and practices. Consumers must have an informed choice regarding their service(s).

Funds for this project shall not be used to:

1. Pay for inpatient hospital services except under conditions specified in federal law.
2. Make cash payments to intended recipients of services.
3. Purchase or improve land; purchase, construct, or permanently improve (other than minor remodeling) any building or any other facility; or purchase major medical equipment.
4. Satisfy any requirement for the expenditure of non-federal funds as a condition for the receipt of federal funding.
5. Provide individuals with hypodermic needles or syringes so that such individuals may use illegal drugs.
6. Enforce state laws regarding the sale of tobacco products to individuals under the age of 18.
7. Pay the salary of an individual at a rate in excess of Level I of the Federal Executive Schedule, or approximately \$174,500.
8. Provide financial assistance to any entity other than a public or nonprofit private entity.

Neither the SAPT nor MHBG funds may be used to supplant existing funds. Neither funding source may be used to fund Medicaid approved services for Medicaid recipients. MDCH contracts require that any service or activity funded in whole or in part with this funding be delivered in a smoke-free facility or environment.

In addition, the MHBG funds focus on the provision of services, and, as a result, these funds may not be used to:

1. Purchase medication.
2. Purchase, lease, or insure vehicles.
3. Cover administrative (e.g., office space, utilities, Internet, insurance) or indirect expenses.

No SAPT funds may be used to pay for assessments conducted by a CA or an access management system agency that does not also provide other substance use disorder treatment services. This is consistent with existing ODCP policy.

Note: There are four ways in which MHBG and/or SAPT funds may be used for project staffing so that no supplanting occurs:

1. If the position is a new hire, or
2. If the position is assuming additional hours (i.e., part-time to full-time) and block grant funds are paying for the additional hours only, or
3. If an existing staff member is assuming the duties of the new project and their previous duties are being reassigned, or
4. If the duties to be performed under this project were not previously assigned/completed.

The following is a list of services that can be provided to satisfy the requirements of both grant sources:

- Therapy/counseling
- Psychiatric time – evaluation and medication reviews
- Peer support
- Recovery support
- Case management
- New staff positions
- Psychiatric medication and/or substance use treatment medication (Only SAPT funds may be used.)
- Mental health assessment (mental health funding only in mental health system)
- Developing collaborative arrangements with healthcare providers to establish sustainability
- Infrastructure development for establishing the delivery of services

Financial reporting will be through quarterly and annual revenues and expenditures reports (RERs) and financial status reports (FSRs). A separate FSR for each fund source will be required. Projects will be cost-settled at year-end.

CAs can expect to receive notice of funding award by the first week of September. Because the awards are very close to the start of the new fiscal year, it is unlikely that the awards will be included in FY 2009 prepayments.

Selection Criteria

Proposals shall meet the general criteria outlined below.

1. A description of integrated service needs within the targeted region, including justification for the proposed services and how the project will address identified gaps. Proposals must clearly describe what will be created, expanded, or improved. Projects may address infrastructure gaps, services gaps, or both.
2. Description of how the CA and CMHSP will partner. A written joint statement indicating what contributions or resources each party will provide and the established partnering roles must be included. This statement is required from CAs that are CMHSPs as well as those that are not. Partnership need not involve exchanges of funds.
3. Proposals must show that available best practice, knowledge and/or technology will be used in this project. Proposals must also demonstrate consumer involvement in planning, delivery and ongoing evaluation of the project. The use of culturally appropriate treatment services must also be shown. Clients who receive services funded by this initiative must have an individualized treatment plan that addresses both the substance use and mental health disorders. Ongoing services must include stage-wise interventions that are consistent with the client's stages of recovery.
4. Proposals must address how the project will support clients in the recovery process.
5. Programs providing services must be appropriately licensed and accredited. Proposals must demonstrate that any provider used is currently compliant, or has a development plan to become compliant, with department policies and procedures regarding welcoming and individualized treatment. Staff employed by these programs must be appropriately credentialed based on current workforce development standards.
6. Budgets must be reasonable, appropriate, and sufficient to support the proposed projects.
7. Provide a sustainability plan detailing continuation of services after the funding period.
8. All projects must include procedures for monitoring, evaluating, and reporting activities and results. As a general rule, these activities would be expected to represent 10% or less of the total project cost.
9. Projects cannot involve replacement of currently allocated funds for the same project and the same activities regardless of the source of current funding.
10. All projects must report treatment episode data sets (TEDS) and encounter data per ODCP requirements for these services, as already issued. For purposes of this project only, the TEDS admission record will include a Yes/No indicator coded to account for persons receiving services through this project.

Content of Application

All applications must be in Microsoft Word, Times New Roman, 12-point font, single-spaced, one-inch margins on all sides, and a maximum of five (5) pages excluding the face sheet and the budget page. The application will not be considered if longer than the allowed maximum length. Attachments will only be reviewed if they are submitted as outlined below.

All applications must be submitted electronically using the established criteria and format provided. Nonconforming applications will not be considered for awards. The application must include the following sections:

- A. **Face Sheet.** Restricted to one (1) page, 8.5x11-inches. This serves to identify the CA, the requested amount of funding for the project, and an executive summary. This information, in addition to other project demographics, must be provided on the attached form.
- B. **Narrative.** The proposal narrative is limited in length to five (5) pages, 8.5x11-inches. Each section in the narrative should be clearly identified by the corresponding number below.
 - 1. Description of current status or problem being addressed in regard to the co-occurring disorder treatment population.
 - 2. Description of the proposed project. This must clearly describe the target population, how many will be served, what specific services will be provided and what is going to be done to increase access and/or services provided.
 - 3. Identification of partners, their roles and commitments. This includes an identification of provider agencies.
 - 4. Specification of major project milestones and deliverables including a project timeline/timetable.
 - 5. Barriers (including state and otherwise imposed) the project expects to encounter and, as appropriate, how these will be addressed.
 - 6. Sustainability plan.
 - 7. Monitoring and evaluation plan.
- C. **Budget.** The budget should reflect the reasonable and appropriate cost supporting the project for the fiscal years of 2009 and 2010. Budgets must be submitted on the summary and detail forms in Attachment B.1. For FY 2009, submit a composite budget with categories (line items) that correspond to the allowable costs. If other fund sources will be applied, these should be shown on the composite. For FY 2010, only a composite budget is required.

Include a budget narrative that describes and justifies planned expenditures. The budgets and narrative must clearly delineate what allowable expenditures will be used as this information is needed to assist with the process of distributing funds.

D. ***Attachments.*** The following items must be included in the submission and do not count toward the page requirements:

1. Letter(s) of agreement from CMHSP.
2. Certification of non-supplantation and statement that use of funds will be consistent with requirements of the SAPT, MHBG and the current MDCH/CA agreement.

Reporting Requirements:

Reporting will be through the existing substance abuse data system using the special project indicator noted earlier. The Quarterly Narrative Report (Attachment A) will also be required. Additional reporting may be necessary on a case-by-case basis.

Application Deadline:

Applications must be electronically submitted to Denise Murray of the ODCP at murrayden@michigan.gov by 5:00 p.m. on **July 15, 2008**. Any submission with an electronic time stamp after 5:00 p.m. on July 15, 2008 will not be accepted.

Should you have any questions about this proposal, please feel free to contact Jeff Wieferich at wieferichj@michigan.gov or by phone at (517) 335-0499 or Patty Degnan at degnanp@michigan.gov or by phone at (517) 373-2845.